GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1445
ANSWERED ON:03.03.2000
NON-BANKING FINANCIAL COMPANIES
NARESH KUMAR PUGLIA

Will the Minister of FINANCE be pleased to state:

(a) the number and names of Non-Banking Financial Companies (NBFCs) whose applications for registration have been rejected by the Reserve Bank of India for failing to follow the RBI norms;

(b) whether these companies are still being traded on the Bombay Stock Exchange;

(c) if so, the reasons therefore; and

(d) the measures taken by the Government to get these NBFCs delisted in the interest of investors ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a):- The Reserve Bank of India (RBI) has rejected the applications forregistration of 1468 Non-Banking Financial Companies (NBFCs). The names of companies where application for registration is rejected are communicated from time to time to the State Governments. RBI also puts out advertisements in the newspapers in order to communicate the fact of rejection to the general public. In addition, RBI published on its website (www.rbi.org.in) from time to time a consolidated list of al applications rejected.

(b) (c) & (d) :- Rejection of application of a company for registration as an NBFC under Chapter III-B of Reserve Bank of India Act does not preclude the listing of the company`s shares on stock exchanges or the trading in such shares.